Rationalisation of Saving Schemes

2575. PROF. C. LAKSHMANNA:
SHRI PARVATHANENI UPENDRA:

Will the PRIME MINISTER be pleased to state:

(a) whether there is a proposal for the rationalisation of different saving schemes and interest exemption incentives under the Income Tax Act; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) and (b) The Government propose to frame a new Scheme, to be called the National Savings Scheme, and to provide tax incentives for net savings made under the said Scheme. The details of the scheme are being worked out. The scheme will be implemented from 1st April, 1987.

Representation from Staff of Grameena Banks in Andhra Pradesh

2576. SHRI PARVATHANENI UPENDRA: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that the representations have been received from the staff members of Grameena Banks in Andhra Pradesh regarding their demands and problems;

(b) if so, the details thereof; and

(c) the action proposed to be taken by the Government to redress the demands of the staff members of Grameena Banks in Andhra Pradesh?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) Yes, Sir.

(b) The demands and problems raised by the Andhra Pradesh Regional Rural Banks Employees Association generally pertain to individaul Regional Rural Banks in Andhra Pradesh and relate to their service matters.

(c) In order to sort out various problems/demands of individual Regional Rural Banks, the National Bank for Agriculture and Rural Development has created a forum separately in every State known as the State Level Forum to discuss exclusively the problems and grievances of RRB Staff within the framework of the guidelines and instructions issued by the Government of India/NABARD from time to time Representatives of Sponsor Bank, Government of India, concerned State Governments, NABARD and RRBs are the members of this forum.

Report of the Study Group on Expenditure Tax

2577. SHRI R. SAMBASIVA RAO:
SHRI GOPALA RAO RAO:

Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that the study group on expenditure tax has recently submitted its interim report to Government; and

(b) if so, what are the sailent features of the report and the action Government propose to take thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) Yes, Sir.

(b) *In the interim report, the Study* Group has concluded that while restructuring the direct tax system on the basis of expenditure tax principal would be advantageous, introduction of expenditure tax proper would create insurmountable administrative problems and cause great hardship to the average tax-payer. The Study Group has recommended that the income tax structure be retained and the expenditure tax principle may be introduced therein to the extent possible, subject to the requirement of revenue.

As a result of the examination of the recommendations made in the Interim Report of the Study Group, the Government proposes to frame a new Scheme, to be called the National Savings Scheme, and to provide tax incentives for net savings made under the said scheme. The Government's proposal in this regard is sought to be implemented through Clauses 34 and 78 of he Finance Bill, 1987 introduced in Lok Sabha on the 28th February, 1987.